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Chief, FE/OPC

8 November 1951

Acting Chief, Finance Division

Recommendations for Establishment of New Personnel Finance Procedures.

REFERENCES: Your Memorandum dated 29 October 1951 and [REDACTED]

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1. In accordance with your request we have considered the proposal set forth in [REDACTED] which in effect, is that there should be a complete reversal of present procedures pertaining to the payment of salary, allowances, and travel, and that such functions be decentralized to the larger field stations. In general, we are in complete agreement with this recommendation. In fact, at another station where we have had much more time to build up personnel and facilities, we are rapidly approaching the date when an almost identical system can be placed in full effect. A part of the system has been in effect for several months.

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2. We have just two reservations with respect to early action on this proposal. They are:

- (a) Preparation at Headquarters is much more complex than is readily apparent. We are now fully occupied in other changes and improvements in finance procedures. We believe a basic change such as the one proposed should be thoroughly prepared for in Headquarters and should not be attempted at a time when we are over-extended in other activities. Further, such change will involve several other Agency offices.
- (b) Our second reservation is the same as that held by the station in paragraph I E/1 of Reference Dispatch, the following is stated, "It would cause complete confusion to install this system at a station where the financial workload per person is already nearing the maximum". In our opinion, the reference to "already nearing the maximum" is quite an understatement. We believe considerable additional help will be required at this station whether or not the proposed change and procedure is effected. With the cooperation of officials of the Branch concerned we are now engaged in obtaining such help.

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3. We have noted the examples of causes of complaints which may be the basis for the proposed change in procedure. While we generally agree with the proposed change, we cannot agree that it is a solution to errors, omissions and delays. We believe everyone concerned should anticipate the continuance of a certain number of errors and after the change, if made, should not criticize the new system for this reason. We believe most of the complaints are a result of misunderstanding and apprehension due primarily to difficulties in communication. In our opinion, such misunderstandings could, for the most part, be eliminated by the free use of cable communications. However, this would not be consistent with Agency policy in such matters. Much of the confusion could also be eliminated by periodic visits to the stations by Finance or Administrative employees. In the case of this station such visit is now planned to take place within a month. Other than a relatively small number of errors there appear to be two major "bones of contention" which have incited employees of this station to make general complaints regarding their personal finances. One is the delay in the payment of travel vouchers, for instance, example (a) of reference dispatch; the other is the delay in the payment of overtime to staff personnel from 4 February 1951 until approximately one month ago. In the case of the travel vouchers there is no need for any employee to be penalized because of a delay in communications, processing, etc. Travel advances are available to each traveler in an amount estimated to equal his total travel expense. In each case, he is instructed to file a voucher immediately upon arrival at his station. If the advance which he received was materially in excess of official travel expense incurred, he is requested to turn in the excess to the station upon submission of the voucher. If the official travel expenses materially exceed the advance which he received, he may upon application obtain an additional advance from the station in order that he will not be "out of pocket" while the voucher is being forwarded to Headquarters. In the second instance, the delay in paying overtime to employees at this station was occasioned by the fact that the station did not submit overtime claims in accordance with OPC regulations. Instead, we are advised that as a result of misunderstanding, station officials who had visited Headquarters returned to the station and instructed the Finance Officer to alter his procedure and submit overtime claims on a document designed for other purposes which, unfortunately, upon receipt in Headquarters, receives no action but is held available for post audit. This situation has now been corrected.

4. In summation, we agree in general with the proposed procedure. We believe the basis for a change is the fact that we have simply outgrown existing procedures. We do not believe we should take a chance

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on adding to the confusion and of jeopardizing permanent payroll, retirement, tax and allowance records by initiating a change prematurely. This feeling may be influenced by the fact that such action was taken in OSS with the result that it is virtually impossible to answer inquiries both official and personnel which are still being received regarding retirement rights, income tax liability, accuracy of pay, etc. We recommend additional finance and administrative employees be assigned to the largest stations, and that they receive training at such stations while procedures are being devised and tested at Headquarters to effect the proposed change. We believe the earliest possible date on which we could safely effect such change would be 1 July 1952.

5. We shall continue preparation for appropriate decentralization to the larger stations when such is feasible and approved, and will keep your staff advised of progress. In accordance with our conversations on this subject it is believed this plan meets with your concurrence.

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Acting Chief, Finance Division

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